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30 August 1988

A Way to Implement the DCI's "One-Percent" Initiatives Fund

Overall Objective:  To provide a means by which the Director of Central
Intelligence (DCI) can provide to the National Foreign Intelligence Program
(NFIP) an impetus which it otherwise would not have in it.  One feature is to
add the DCI's emphasis to selected, key existing topics.  Another is to
support selected, key new initiatives for the 1990s.

More specifically, the goal is to develop a balanced set of coherent packages
of initiatives that responds to Presidential and DCI substantive interests,
has a Community focus, and is programmatically sound for each year of FY 1990
through FY 1994.  The estimated total of funds available for use in FY 1990 is
25X1 [                    ] the funds for the outyears grow appropriately.  This
package should:

> o   Reduce the most serious gaps related to selected intelligence
>     problems of high-level interest.
>
> o   Get the most for our precious new money for investment.
>
> o   Fix any small, serious programmatic disconnects.
>
> o   Demonstrate that such a process works.

Scope:  The Program Managers' budget submissions ostensibly will be for two
years; i.e., FY 1990 and FY 1991.  It is possible that a Program Manager will
want to submit, in the context of his program, an initiative for a new
investment that begins in FY 1991.  At the same time, an initiative selected
for FY 1990 with outyear ramifications will have to be protected for FY 1991
and beyond.

Community Involvement:  Key steps in this process will occur with the
Intelligence Community.  The Program Managers will have to define and put
forward sound, substantively based initiatives in keeping with DCI guidance,
their missions and needs and this concept paper.  Further, on a "must-know"
basis, selected DCI Committee Chairman and selected National Intelligence
Officers will have to provide inputs to the assessment for each initiative.
Later, the Program Managers will have to review the entire package and provide
comments for the DCI.

Methodology:  The package will be developed by the Intelligence Community
Staff (ICS), reviewed by appropriate senior Community leaders, and decided by
the DCI.  The Program and Budget Office (PBO) will identify candidate

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initiatives, the Intelligence Producers Council Staff (IPCS) will develop associated gaps for those initiatives, and the Requirements and Evaluation Office (REO) will evaluate them. (PBO has the initiator role because of the nature of the National Foreign Intelligence Program; i.e., the Program managers propose new initiatives.) The tripartite, ICS portion of this process is outlined below in the sequence in which it will occur.

Identifying Initiatives:  PBO will gather and, if appropriate, help develop candidate initiatives from:

o    Initiatives that Program Managers include in their specific proposals submitted for competition against the one percent or in overguidance submissions.

o    Initiatives identified in previous Intelligence Community studies;

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Moreover:

o    Initiatives selected will relate to the following topics of high interest identified in the DCI's FY 1990-1994 Guidance:

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o    Initiatives also can include fixes to any small, serious disconnects among programs that surface in the normal ICS budget review.

o    Any collection system considered must include any associated processing, exploitation, and analysis.

In gathering initiatives, PBO will exclude:

o    Initiatives related to specific projects directed to be funded within DCI fiscal guidance.

o    "Gold watches"; i.e., highly desirable new projects left outside guidance or unfunded to attract sympathetic attention.

o    Projects already programed in FY 1989 (or earlier) to prevent pulling funded projects out of the program for consideration, and substituting other projects within funding.

o    Buy-ins with insufficient or implausible cost and schedule data.

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Identifying Gaps:  For substantive topics, IPCS will develop the gaps, associated with the critical and high-interest topics to be used to evaluate the initiatives, working with the ICS and other Community elements.  Existing statements of gaps will be used to the extent possible.

Evaluating Initiatives:  REO--with assistance from the National Intelligence Council, the ICS, and others--will evaluate the list of initiatives developed by PBO:

o      The bases for evaluating the attractiveness of candidate initiatives, whether for added emphasis or for new activities, will be:

--      Their ability to reduce gaps in our understanding of critical or high-interest, substantive topics.

Alternatively, for nonsubstantive topics (e.g., a proposed communications upgrade), their ability to enhance the performance of the Intelligence Community.

--      The time required for the initiative to reach initial operational capability (IOC).

--      Cost to IOC.

o      REO will use the attached form to evaluate each initiative.  Each initiative should fit on one to two pages.  REO will be the library.

o      Highest priority will be assigned to those initiatives or bundles of them that contribute most to reducing gaps (or enhancing performance), are available soonest, and cost the least.

Iterations:  It will be necessary to go through this sequence, or at least the middle-to-end pieces of it, a number of times.

Schedule:

| | |
|---|---|
| July 1988 | DCI/DDCI outlines concept to NFIC meeting. |
| August 1988 | PBO repeats outline to Program Managers' meeting. |
| August 1988: | DDR&E issues implementation paper to Intelligence Community as process gathers momentum. |
| September 1988: | PBO provides IPCS and REO list of initiatives. |
| September 1988 | IPCS develops gaps. |
| September 1988: | REO evaluates the initiatives. |
| Late September 1988: | Initiatives recommended for inclusion in one-percent fund are made available to selected DCI officers in the Intelligence Community for comment. |
| October 1988: | Comments addressed. Package is sent to Program Managers for comment and perhaps discussion at senior-level meeting |
| October 1988: | Perhaps a senior-level meeting is held to discuss package. |
| October 1988: | DCI approves package; it is included in the FY 1990 NFIP. |
| January 1989: | President submits budget to Congress. |

(Classification)

## Title of the Initiative

1.  DESCRIPTION [5-30 lines in length; by PBO]:

    o  The NFIP program where the initiative would be funded; e.g., CCP.

    o  Bundle category; e.g., counterintelligence.

    o  A comprehensive description of the initiative, including the characteristics of the collection systems involved, if appropriate.

2.  SCHEDULE/FUNDING  [5-10 lines in length; by PBO]:

    o  Estimates of IOC and FOC for the initiative.

    o  An estimate of costs over time to achieve full operational status by completing the following table:

    | | FY90 | FY91 | (Dollars in Millions) FY92 | FY93 | FY94 | Total |
    |---|---|---|---|---|---|---|
    | Initiative Cost | | | | | | |
    | Processing, Exploitation & Analysis cost (if appropriate) | | | | | | |

3.  GAPS ADDRESSED:  [3-5 lines in length; by IPCS]

    o  Vital gaps which this initiative would help address.

4.  ASSESSMENT [5-30 lines in length; against the gap(s) noted above, by REO with assistance as appropriate (e.g., NIOs and Committee Chairmen)]:

    o  "This initiative is assessed as_____
       because _____."

5.  RANKING  [1 line in length; by REO]:

    o  All the initiatives within a particular bundle will be ranked; e.g., 2 of 13.


[N.B. A completed form should be no more than one-two pages.]

*   As portions 4 and 5 are completed, REO will review classificiation and add appropriate dissemination controls, including ICS Internal Use Only.



(Classification)